

valuation of cultural dimensions in the GLOBE-study our findings were interpreted also in terms of cultural differences.

Keywords: management orientation, growth, culture

The Role of Technological Development / Innovation in Child Labour: Problem or Solution?

Bettina MARTUS

In our rapidly changing world innovations are necessary for companies if they want to be competitive. While corporations tend to carry out their R&D activities in a developed and dynamic environment, production activities often take place in developing countries. The demand for low cost factors of productions is so high among present market circumstances that many children have to work because of mass production. Does innovation contribute to child labor? Or is there an inverse relationship: can technological development help to eliminate child labor?

Present paper analyses the relationship between innovation and child labor. It concludes that because of the effects of globalization, innovation contributes to an increase in the rate of child workers. The main reason for that is that R&D activities are even more separated from production activities both in a spatial and in an organizational sense which increase the demand for low paid (child)workers.

Keywords: child labour, innovation, macroeconomic effects

Innovation and R&D in International Financial Reporting Standards

Zsuzsanna Ilona KOVÁCS

It is essential that general purpose financial statements give proper information on the economic entities' innovation capacity, which plays a fundamental role in the knowledge-based economy. However, international financial reporting standards leave a very narrow space for internally generated intangible assets on the balance sheet, except for the costs of development. Defining the innovation process as basic research and applied research (development) derives from the linear model of innovation.

Certain modifications of financial reporting standards shall be considered based on the critical review related to the linear model of innovation. As present regulations fail to give all relevant information on intangible property (including in-